JOURNAL

February 2002

Newly-appointed Administrator briefs Washington

Steve Wright, who was appointed BPA's permanent Administrator on Jan. 24, traveled to Washington, D.C., the week of Jan. 28 to brief administration and

congressional officials on current BPA issues. It was a packed trip, and included discussions about RTO West development, BPA's infrastructure investments and the need for additional borrowing authority, power rates for the coming year, BPA's financial picture, the Northwest's water picture, post-2006 issues, fish and Biological Opinion implementation issues, and fallout from the Enron scandal. "He had 40 meetings scheduled," according to Jeff Stier, head of BPA's capitol office. The trip and the meetings were scheduled before Wright's formal appointment was announced.

Wright, who has been acting BPA administrator since Nov. 2000 when then-administrator Judy Johansen resigned, received congratulatory calls and notes from regional governors, industry and environmental leaders and members of the Northwest congressional delegation. Wright's

reaction to all the accolades was that the kudos really belong to BPA and its staff. "If I looked good, it's because I had a great organization to make me look good," he said. Wright's official swearing-in is scheduled for Mar.1.

Biologists excited over bird sighting

When Washington Department of Fish and Wildlife area manager Jim Olson spotted 38 sharp-tailed grouse in birch trees just before Christmas, he said he "nearly fell over." WDFW biologists are thrilled with the sighting along the Scotch Creek Wildlife Area in Okanogan County. It's the largest flock seen in 18 years and solid evidence that BPA funding of

habitat and habitat enhancement is paying off. Only about 1,000 of these native prairie grouse are left in Washington.

BONNEVILLE POWER ADMINISTRATION

The 16,000-acre habitat has been planted with native grasses, shrubs and trees and also supports mule

and white-tailed deer, ruffed and blue grouse, pheasant, quail, chukar and Hungarian partridge among many other wildlife species.

Stephen J. Wright, BPA's acting administrator since November 2000, was given the nod as permanent administrator on Jan. 24, 2002.

BPA investment helping sturgeon

A fish species that some have called "prehistoric" now has a new home in Montana's Kootenai River basin. BPA recently invested just over \$1 million in upgrades to the Kootenai River White Sturgeon Conservation Facility operated by the Kootenai Tribe of Idaho. The oldest fish in the facility are eight years old and over 4 feet long. Rainbow trout are raised for feed and to ensure disease free bait for capturing sturgeon for spawning or tagging.

Each year two females are brought into the hatchery in stretchers, and placed in special tanks. They are monitored to evaluate when they are about to spawn. When the time has come, they are injected

with a hormone and their eggs collected. Each set of eggs is divided in two and each half is mated with one male. This makes four "families" and each family is reared separate from the others.

Coho salmon make incremental gains

A program to restore coho salmon in Washington's Methow Basin seems to be enjoying some success. BPA, the Yakama Nation and the U.S. Fish and Wildlife Service started the program in 1996. Recently, 615 fish returned to the upper basin, three times that of the previous 1999 high of 201. It may not seem like a lot, but considering that coho were



all but gone from this region prior to 1996, this year's returns show promise.

CCC ends with car giveaway

Tina and Lance O'Brien of Kingston, Wash., were two very happy people as they took possession of their new Honda Insight energy-efficient hybrid car donated by Ron Tonkin Honda last month. Mrs. O'Brien was the winner of a BPA-sponsored drawing, held Dec. 17, that wrapped up the Community Conservation Challenge, an electricity savings pledge-a-thon. Since last August, nearly 15,000 Northwest citizens and over 80 utilities have participated in the campaign to save energy. The most popular energy-saving action pledged was replacing incandescent bulbs with compact fluorescent lights.

"Save a watt" TV campaign kicked off

BPA's "Save a Watt" energy conservation campaign premiered on Northwest Cable News on Monday, Jan. 28, during Northwest Extra, a 30-minute cable news program. The show focused on the effect of last year's energy crisis and the current Northwest energy situation. Washington Gov. Gary Locke and BPA's Paul Norman, senior vice president for the Power Business Line, took part.

Power rates activities upcoming

BPA will shortly conduct a series of workshops associated with setting the load-based cost recovery adjustment clause (LB CRAC). The LB CRAC is adjusted every six months under the terms of BPA's 2002-2006 power rate case in order to ensure that the agency recovers the costs of buying augmentation power. The workshops will also be covering the Power Business Line's general financial conditions and how they may affect the financial-based CRAC.

BPA is also starting a small rate case to address the rate for Interchange Energy Imbalances under the Pacific Northwest Coordination Agreement (PNCA). The PNCA is an exchange agreement, signed in 1964, between major regional generating facilities and system operators. The purpose of the agreement is to provide coordination to ensure that aggregate firm loads are met if critical streamflow conditions occur. The PNCA allows the parties to use their reservoir storage to make up deficits in firm load requirements through exchanges with other PNCA parties. See www.bpa.gov/power/rates, the power rates Web site, for more information.

Draft EIS available on Schultz-Hanford Area project

The Schultz-Hanford Area 500-kV Transmission Line Project draft environmental impact statement will be available for public review on Feb. 8, when a Notice of Availability will be published in the *Federal Register*. Three public meetings will be held on the DEIS later this month, on Feb 26, 27 and 28. (See calendar for locations and times.)

Early forecast heralds good water

Near normal – at least for now – is the verdict of the January 2002 "final" streamflow forecast for the Columbia Basin. The forecast, prepared by the Northwest River Forecast Center, predicts a runoff volume of 98.7 million acre feet – 93 percent of normal. Snowpacks continue to run above average in Oregon, Washington and southwest Idaho, according to the National Resources Conservation Service. However, snowpacks across Montana and parts of Idaho continue to be below average. A large majority of the totals reported last week across the basin were roughly double those reported a year ago. Roughly 45 percent of the season's peak snowpack is usually on the ground by Jan. 1.

Forecasts, which cover the January-July period, are based principally on measurements of water flowing past The Dalles Dam on the lower Columbia River. Each forecast assumes "normal" precipitation for the remaining months, which is why early forecasts can be highly unreliable.

Moody's reaffirms BPA's Aa1 bond rating

Moody's Investors' Service confirmed BPA's Aal bond rating this month-after it and other rating agencies slashed many other utilities' ratings in the wake of the West Coast power crisis and the Enron meltdown.

In its annual rating report, Moody's wrote, "Despite the significant operating pressures. . .BPA managed well with the use of numerous financial and operational strategies to maintain electric system reliability [in 2001] while keeping a satisfactory level of cash reserves, ensuring Energy Northwest/WPPSS revenue bonds were paid and paying the U.S. Treasury in full and on time." BPA has received the Aa1 rating, Moody's second highest, since August 1996.

PUBLIC INVOLVEMENT

STATUS REPORTS

Blackfeet Wind Project EIS, Glacier Co., Mont.

Work on the EIS has been stopped due to the estimated cost of energy, wheeling, transmission, and integration services from the project. Avian studies will be completed for use by the tribe and the developer. See www.efw.bpa.gov/cgi-bin/PSA/NEPA/SUMMARIES/blackfeet for more information.

Cliffs Energy Project ROD, Klickitat Co., Wash.

BPA is analyzing whether to provide transmission integration services for a combustion turbine proposed by GNA Energy, LLC. The company would build the power plant, five miles of new natural gas line, and 700 feet of 230-kV transmission line to BPAs Harvalum Substation. Klickitat County issued a Mitigated Determination of Non-Significance in May 2001. A change in the project may require a supplement analysis and further public comment when details are known.

COB Energy Facility Interconnect EIS, Klamath Co., Ore. Peoples Energy Resources Corp. has requested interconnection of its proposed 1,200-MW combustion turbine project, to be constructed in two 600-megawatt phases, at a site near Bonanza in Klamath Co., Ore. Phase I is scheduled to energize in June 2004. The project is subject to Oregon EFSEC certification. A public scoping meeting was held on Jan. 15. Call to join the mail list.

Coeur d'Alene Tribe Trout Production Facility Project EA, Kootenai Co., Idaho

BPA proposes to fund design, construction, operation and maintenance of a trout hatchery and related facilities to provide off-site mitigation for salmon and steelhead losses on the mainstem Columbia River. The project is on hold while the tribe reevaluates its proposal based on Power Planning Council comments.

Conservation & Renewables Discount (C&RD) Program, Regionwide.

The updated 2002 C&RD Program Implementation Manual is now available on the Energy Efficiency/C&RD Web site at: https://www.bpa.gov/Energy/N/projects/cr_discount/pdf/crdmanualv6(11-7-01)1.pdf. Proposed policy and technical changes can be submitted until June 15. Public meetings will be held this summer to take comments on proposed changes with decisions coming in the fall.

Federal Columbia River Power System Implementation Plan, Regionwide.

This is the federal draft plan for Columbia River Power System Operations in 2002-2006 to carry out biological opinions issued under the Endangered Species Act. Federal agencies closed comments on the draft plan on Sept. 28. See www.salmonrecovery.gov.

Fish and Wildlife Implementation Plan EIS, Regionwide.
This EIS examines potential impacts of implementing any of the fish and wildlife policy directions being considered in regional processes. BPA received public comments on the DEIS in summer 2001 (#0312); the final EIS is expected later this winter.

Grand Coulee-Bell 500-kV Transmission Line (Eastern Washington Reinforcement) EIS, Wash.

This project would replace about 84 miles of existing 115-kV transmission line with a new, higher capacity 500-kV line. The proposed line would connect BPA's existing Bell Substation in Spokane to the Bureau of Reclamation's Grand Coulee Switchyard at Grand Coulee Dam, and would be located primarily on BPA's existing right-of way. Public scoping meetings were held on Jan. 29, 30, and Feb. 6. Comments will be taken until Feb. 15, 2002.

Grande Ronde and Imnaha Spring Chinook Project EIS, Wallowa and Union Cos., Ore.

This project would build fish trapping, rearing and release facilities to help restore spring chinook in the Lostine and Imnaha rivers of northeast Oregon. Planned facilities will modify and supplement

existing Lower Snake River Compensation Plan facilities. The public scoping comment period ended Jan. 31, 2002. A summary of the comments is available at www.efw.bpa.gov/cgibin/psa/nepa/summaries/granderonde. Or, to receive a copy, call the document request line at 1-800-622-4520 and leave a message including the project name and your complete mailing address.

Grizzly Generation Project EIS, Jefferson Co., Ore.

Cogentrix proposes to build a 980-MW combined-cycle combustion turbine power plant and has requested interconnection at BPA's Grizzly Substation. An EIS will be prepared evaluating easements for facilities servicing the project, including a 3,000-ft. easement for a 500-kV transmission line, a 14-mile easement for an underground water pipeline, and a 7,000-ft. easement for an underground natural gas pipeline. The U. S. Forest Service is the lead federal agency; BPA and the Bureau of Land Management will be cooperating federal agencies. Oregon EFSEC will cooperate in the environmental analysis by coordinating its siting process with the NEPA process. EFSEC held a public information meeting in January, and the U.S. Forest Service held a public scoping meeting Feb. 14; comments will be taken until March 15, 2002.

Horse Heaven Wind Project EIS, Benton Co., Wash.
BPA proposes to purchase up to 50 aMW from a 225-MW wind project proposed by Washington Winds Inc. The developer would build, own and operate the project and would build about 12 miles of transmission line to interconnect with BPA's transmission grid.
Public comments were taken through Nov. 14, 2001.

Johnson Creek Artificial Propagation Enhancement EA, Valley Co., Idaho

This project seeks to recover the creek's depleted native summer chinook salmon population. It would include additional facilities at the McCall Fish Hatchery in McCall, Idaho, and acclimation facilities along Johnson Creek. Scoping concluded March 30, 2001. An EA will be available for public comment in fall 2002.

Kangley-Echo Lake Transmission Line Project EIS, King Co., Wash.

BPA proposes to build a 500-kV transmission line to connect an existing transmission line near Kangley to Echo Lake Substation. BPAs preferred alternative would run parallel to its existing Raver-Echo Lake 500-kV line. The project is needed to improve transmission system reliability and to meet requirements of the Columbia River Treaty with Canada. The comment period on the DEIS (#0317) closed Sept. 4. A final EIS is expected in spring 2002.

Maiden Wind Farm EIS, Benton and Yakima Cos., Wash. Washington Winds Inc., proposes to build and operate a wind project of up to 494 MW north of Prosser. BPA proposes to acquire and transmit up to 50 aMW, but will study the full electrical output of the project. The DEIS is expected in March 2002. Web site: www.efw.bpa.gov/cgi-bin/PSA/NEPA/SUMMARIES/MaidenWindFarm.

McNary-John Day 500-kV Line Project EIS, McNary to John Day dams, Ore. and Wash.

BPA proposes to build about 79 miles of new 500-kV transmission line parallel to existing BPA lines between McNary and John Day Substations. The line would cross the Columbia River below McNary Dam, run parallel to the north side of the Columbia through Benton and Klickitat counties, and cross back into Oregon near John Day Dam. It is needed to integrate some of the many new generating projects considered for this area and to reinforce transmission reliability. Scoping closed on June 7, 2001. A DEIS is expected out for review in March 2002.

Mercer Ranch Generation Project ElS, Benton Co., Wash. Washington EFSEC is conducting an environmental review of an 800-MW combined-cycle combustion turbine power plant proposed by Mercer Ranch Power, LLC, 11 miles west of Paterson, Wash. BPA would be required to build and operate a switchyard that would interconnect to the transmission grid. The project proponent has

MORE PUBLIC INVOLVEMENT

currently stopped all work on this project and it is indefinitely on hold. For information, see http://www.efsec.wa.gov/mercer.html.

Mint Farm Generation Project, Longview, Wash.

BPA is considering integrating power from Mint Farm Generation's proposed 319-MW combined-cycle combustion turbine project near Longview, Wash. BPA would build and operate about a quarter mile of new 230-kV transmission line. Public meeting was held Nov. 28. Comment closed Dec. 6. A ROD was issued on Feb. 14, 2002.

Plymouth Generating Facility EIS, Benton Co., WA

Plymouth Energy has requested interconnection of its proposed 306-MW combustion turbine project, to be constructed at a site near Plymouth in Benton, Co., Wash. BPA is preparing a joint NEPA/SEPA EÍS with Benton, County. A public scoping meeting hosted by Benton County was held in Plymouth on January 24, 2002

Raymond-Cosmopolis 115-kV Transmission Line EA, Grays Harbor and Pacific Cos., WA

BPA proposes to rebuild an existing 115-kV transmission line between Raymond and Cosmopolis, roughly parallel to Hwy 101. Most of the 18-mile long transmission line will remain within existing right-of-way, but some structures may be moved due to environmental or engineering constraints. A public information meeting will be held in April (not scheduled yet) and a preliminary EA will be available for public review in fall 2002.

Salmon Creek EIS, Okanogan Co., WA

BPA proposes to fund a project to enhance fish habitat and fish passage, and to increase instream flows in lower Salmon Creek, a tributary of the Okanogan River. The proposed project would include rehabilitating the stream channel, revegetating stream banks and increasing streamflows in the lower 4.3 miles of Salmon Creek. A public scoping meeting was held on Feb. 21, 2002. Comments will be taken through March 8. Call to be added to the mail list.

Santiam-Bethel Transmission Line Project EA, Marion and Linn Cos., Ore.

BPA proposes to rebuild 17 miles of the Santiam-Chemawa line from its Santiam Substation to the line's connection to Portland General Electric's Bethel Substation. BPA would replace the existing singlecircuit 230-kV line with a double-circuit 230-kV line. The project would relieve overloads on the existing line in winter. BPA originally proposed a new line next to the existing line. As a result of public comments during scoping, BPA changed its proposal to a rebuilt double-circuit line. The EA and FONSI are available.

Schultz-Hanford Area 500-kV Transmission Line Project EIS, near Ellensburg to near the Hanford Reservation, WA

BPA proposes to build a new 500-kV line from Schultz Substation to a new or existing substation near the Hanford Nuclear Reservation. The project is needed to relieve constraints on several lines, provide more operational flexibility to meet endangered salmon obligations and maintain transmission capacity to import and export energy. Four routes are under consideration. Following public comments in scoping, BPA eliminated one potential route and identified a new option to avoid most irrigated farmland. A DEIS is available. Comments will be taken until March 25. Public meetings were held Feb. 26, 27, and 28, 2002.. See www.efw.bpa.gov under environmential classics (value). tal planning/analysis.

South Fork Flathead Watershed Cutthroat Trout Conservation Program, Flathead National Forest, Mont.

BPA proposes to fund a project to remove exotic trout species from selected lakes in the South and Middle forks of the Flathead drainage and replace them with genetically pure westslope cutthroat trout. Call to join the mail list. Previously, this project was known as the Mountain Lakes Trout Restoration Project EA.

Starbuck Power Proj EIS, Columbia & Walla Walla Co., WA BPA proposes to build about 16 miles of 500-kV transmission line from the proposed Starbuck Power Plant to Lower Monumental Substation to connect the 1,200-MW, combined-cycle combustion turbine into the grid. Existing lines are near capacity. WA EFSEC is the lead agency for environmental review of the generation project; BPA has the lead on integrating transmission. A public scoping meeting was held in October 2001. A DEIS is expected in spring 2002. Šee www.efsec.wa.gov/starbuck.html. 🦞

Umatilla Generating Project EIS, Umatilla Co., Ore.

Umatilla Generating Co., LP., proposes to build a 550-MW combined-cycle combustion turbine. Umatilla Electric Cooperative would reconductor about 11 miles of transmission to 230-kV, and build about a half mile of new 230-kV line to BPA's McNary Substation, where BPA would integrate the power into the grid. The DEIS comment period ended Oct. 15. A final EIS is available. See www.efw.bpa.gov/cgi-bin/PSA/NEPA/summaries/Umatilla. 🧱 🕤

Wallula-McNary Transmission Line Project EIS, Walla Walla Co., Wash., and Umatilla Co., Óre.

BPA proposes to build 34 miles of 500-kV transmission line from a 1,300 MW combined-cycle gas-fired combustion turbine proposed by Wallula Generation, LLC in Wallula, Wash. to McNary Substation in Ore. BPA also proposes to construct and operate the Smiths Harbor Switchyard to interconnect the output into the transmission grid. BPA is working with Wash. EFSEC on environmental review. A DEIS was released to the public on Feb. 22, 2002. Comments on the proposal will be accepted until April 11. Public meetings are scheduled for March 13 in Burbank, WA and March 14 in McNary, OR. See www.efsec.wa.gov/wallula.html..

Wanapa Energy Center Generation Proj. EIS, Umatilla Co. The Confederated Tribes of the Umatilla Indian Reservation have requested interconnection of the Wanapa Energy Center, a proposed 1,000-MW gas-fired combined-cycle combustion turbine project, into the transmission grid. The project would be located on tribal trust land. The Bureau of Indian Affairs plans to prepare an EIS on the project and BPA has requested to be a cooperating agency. BIA held public meetings in Oct. and Nov. DEIS is expected April 2002.

SUPPLEMENT ANALYSES

Vegetation Management EIS:

· Along Marion-Alvey #1, Eugene, Ore. (SA-27)

Watershed Management EIS:

-Gourlay Creek Fish Ladder Project. Columbia Co., OR (SA-75)

Wildlife Management Program EIS:

CALENDAR OF EVENTS

Wallula-McNary 500-kV Transmission Line EIS:

Public Meetings on DEIS: Columbia Middle School, 835 Maple St., Burbank, WA, 6-9 p.m., March 13; Umatilla Rural Fire District Station #2 (McNary), 305 Willamette Street, McNary, OR, 6-9 p.m., Mar. 14.

If you have questions or comments, or to be added to the mailing list for any project, call (503) 230-3478 (Portland) or 1-800-622-4519.

Indicates the comment period has closed. Indicates a public meeting is scheduled. Indicates a document is available. To order copies of documents, call: 1-800-622-4520 or (503) 230-4413. Written comments may be sent to: BPA, P.O. Box 12999, Portland, OR 97212. E-mail address: comment@BPA.gov BPA home page: http://www.bpa.gov. For details on BPA environmental reviews listed above, including site maps and documents issued to date, see http://www.bpa.gov/cgi-bin/PSA/NEPA/Projects. Process Abbreviations: DEIS-Draft Environmental Impact Statement, EA-Environmental Assessment, EFSEC-Energy Facility Site Evaluation Committee, EIS-Environmental Impact Statement, FONSI-Finding of No Significant Impact, NOI-Notice of Intent, ROD-Record of Decision, SA-Supplement Analysis.



